

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of San Diego  
Gas & Electric Company (U 902-E) for a  
Certificate of Public Convenience and Necessity  
for the Sunrise Powerlink Transmission Project

Application No. 06-08-010  
(Filed December 14, 2005)

**RESPONSE AND PREHEARING CONFERENCE STATEMENT OF  
CABRILLO POWER I LLC**

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September 11, 2006

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CALIFORNIA**

In the Matter of the Application of San Diego  
Gas & Electric Company (U 902-E) for a  
Certificate of Public Convenience and  
Necessity for the Sunrise Powerlink  
Transmission Project

Application 06-08-010  
(Filed August 4, 2006)

Cabrillo Power I LLC (“Cabrillo Power”) submits its Response and Prehearing Conference Statement for this application. Cabrillo Power offers the following points:

1. SDG&E’s application is not complete and should be supplemented;
2. The expedited hearing schedule is unwarranted and unfair to intervenors; and
3. All hearings (including the prehearing conference) should be held in San Diego.

**I. SDG&E’s APPLICATION IS INCOMPLETE**

Cabrillo Power adopts the comments of UCAN and LS Power Generation in their respective Prehearing Conference Statements, and does not repeat the same here. Cabrillo Power feels strongly that transmission planning should include in-county generation considerations as part of the integrated resource planning process, to effect least cost resource construction.

In SDG&E’s service territory, Cabrillo Power owns and operates the Encina Generating Station in Carlsbad, California (consisting of five steam boilers installed from 1954 through 1976 and one black-start capable combustion turbine, producing 965 MW, with emergency back-up oil stored on-site), and its affiliate Cabrillo Power II LLC owns and operates the San Diego Combustion Turbines (consisting of 13 units of gas and oil fired peaking turbines, producing 173 MW, but each restricted to 877 hours annually, located at Kearny Mesa, Mira Mar Air Station, and El Cajon in central San Diego County).

SDG&E does not take into account the new generation proposals made by Cabrillo Power or its affiliates at the Encina Generating Station site in Carlsbad, California or other potential sites in San Diego County. Cabrillo Power attempted to respond to the RFO that resulted in the contract for the new combined cycle Palomar Station in Escondido, California, but Cabrillo Power's proposed Encina Station new construction combined cycle proposal of equivalent size was disregarded. Locating peaking units with subsequent conversion to combined cycle units at the Encina site would provide significant new in-basin generation, and is consistent with the mandate of AB 1576 (locate new, more efficient generation at existing generating sites to utilize existing infrastructure and reduce impacts on non-utility land use in other areas). Incremental new generation at the Encina site will allow for orderly retirement of older steam units, and is supported by current planning documents approved by the City of Carlsbad. The analysis of alternatives to Sunrise Powerlink, required under the Commission's rules and California Environmental Quality Act, must include consideration of generation infrastructure alternatives and the current application is deficient in that respect.

Cabrillo Power urges the Commission to order SDG&E to amend its application to address the issues identified by UCAN and other parties to reduce duplicative testimony and prolonged hearings. Cabrillo Power is of the view that serious review of assumptions on cost avoidance and reliability should be undertaken, and the lack of information in the SDG&E filings will require substantial discovery and preparation by expert witnesses in order to develop a complete and meaningful record in this matter.

## **II. PROCEDURAL SCHEDULE**

Cabrillo Power is concerned that the schedule proposed by SDG&E is too compressed given the lack of specificity in SDG&E's initial filing. Cabrillo Power also adopts UCAN's comments on the schedule without restating it here.

### **III. THE LOCATION OF HEARINGS**

Cabrillo Power respectfully requests that all hearings be held in San Diego.

### **IV. CONCLUSION**

For the reasons stated above, Cabrillo Power respectfully requests that: (1) that the Commission order SDG&E to submit a complete application by supplementing the existing amended application with more data that addresses alternatives, cost analysis, resource adequacy, planning assumptions and timing; (2) that the Commission adopt a more reasonable schedule, and (3) that all evidentiary hearings be held in San Diego.

Respectfully Submitted,  
/s/ David Lloyd

Dated: September 11, 2006

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### **PROOF OF SERVICE**

I, David Lloyd declare: I am employed in the City of Carlsbad, County of San Diego, California. I am over the age of 18 years and am not a party to this action. No service list has been established in this proceeding. On September 11, 2006, I served the Response and Prehearing Conference Statement of Cabrillo Power to the parties by sending a true and correct copy thereof, addressed as shown on the parties listed on the following page via e-mail. Pursuant to Rule 44.3, I have sent a copy of this protest via e-mail to each person the application lists used by Applicants as being authorized to receive service.

/s/ David Lloyd

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David Lloyd